



2016 BUDGET OVERVIEW TOWN OF ALLENTOWN

ABSTRACT

This document provides an overview of the proposed 2016 Budget prepared by the department heads of the town.

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Town
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Photo of the groundbreaking ceremony for the Community Center Project.

Introduction

The Board of Selectmen issued a directive to the department heads and board chairpersons to produce their respective proposed budgets for the 2016 Budget by July 31st, 2015. The goal of the BOS is to have no or minimal increase in the town portion of the tax rate in 2016. The BOS anticipates cost increases in certain areas such as property liability insurance, health and dental insurance. The BOS has established targeted budget numbers for functional areas of the budget. Department Heads were expected to develop their 2016 Budgets within these numbers in light of the high tax rate. The budgets were to include a 1% Cost of Living Adjustment (COLA) for all employees to take effect on July 1 of 2016. The BOS anticipates the long term budget analysis will focus on the priority objectives of the Town. Their goal is to provide necessary services and minimize the increase in the tax rate for the residents of the town.

The spreadsheet provides an overview of the budgets submitted.

Executive Summary

The proposed 2016 Town budget approved by the Board of Selectmen represented a 1% increase in spending from the 2015 approved budget. This year's proposed budget is approximately \$38,473 higher than last year's budget.

The areas of significant increase are the Finance, and Insurance budgets. The Town Clerk's and Tax Collector's budgets were restructured to follow the re-organization plan. We created a Municipal Agent Budget which is a sub section of the Finance Budget. The Town Clerk's budget was increased to accommodate four elections in the 2016 budget year. We also had to increase the payroll services line to comply with provisions of the Affordable Care Act. The audit budget increased due to the cost of performance audits and the requirement of a single audit in 2016. The Board has implemented performance auditing for the main functions of the town. The police department and the functions at town hall were audited in 2015. The fire department will be audited in 2016 and the highway department in 2017. There is an increase in software expenses for the Avitar Software implemented in 2014. There was a drastic increase in the property liability due to NH Property Liability Trust not being reauthorized to write insurance policies. This limits our options in possible insurance carriers. There was a 14% increase in the Highway Budget to address some long overdue road repairs.

The Community Center project funded by grants and donations will be completed in 2016. The project cost is approximately \$2.2 million. This facility at the Whitten Street Park will house the

Boys & Girls Club and the Suncook Senior Center. The building will also be used as an emergency shelter, polling place and a place for public meetings.

The areas of significant change are as follows:

1. There were some minor decreases in the Personnel line. The anticipated costs for employee health and dental insurance premiums are a major factor. The cost of Health Insurance for 2016 was reduced as a result of plan changes, younger employees are taking single plans. We also eliminated a buffer of one of the two family plans which we add to the budget to accommodate employment turnover. However the increase in premiums was 17.4% over the 2015 rates. The Town is part of a group of seven towns which pool their buying power together to obtain lower rates. The Suncook Valley Regional Towns Association recently completed a study and made a list of recommendations to reduce health insurance costs. The Board of Selectmen approved the implementation of all of the proposed changes. Considerable cost savings were achieved by implementing those recommendations. The other major cost reduction is the holiday premium credit the town received for workers compensation and unemployment insurance premiums. Dental premium rates will remain the same for 2016.
2. The General Government Building Budget saw a reduction primarily due to the cost charged by Eversource for delivery of electricity and the supplier which is Constellation. The Town entered into a three year contract with Constellation as our power supplier at a set rate of .0895 cents per kilowatt hour.
3. The proposed fire department budget is 2% higher than the approved 2015 budget.
4. The proposed Planning Board budget was reduced by **\$600.**
5. The Emergency Management budget was reduced by **\$34,000.** This reduction is due to lack of available grant funds. This reduces the town's revenues by the same amount.
6. The Building Inspector budget was increased due to the added part time shared administrative assistant position with the fire department. We need to pay computer software licenses this year that we did not have last year. **\$4,120.**
7. The ambulance budget had a 2.6% decrease **\$5,504.** The new billing company that was contracted with to collect for the service is far more efficient and producing more revenues than projected.
8. The highway budget had an increase of 14% due primarily to the need to address road reconstruction projects in 2016. This budget line had been increased by **\$96,570.**
9. The Police budget was reduced by 3% eliminating a full time police officer position. This reduction is due to the School Districts elimination of the funding for the School Resource Officer position. The fuel line has decreased due to the decrease in fuel prices. The entire Police Department Budget decreased by **\$25,571.**

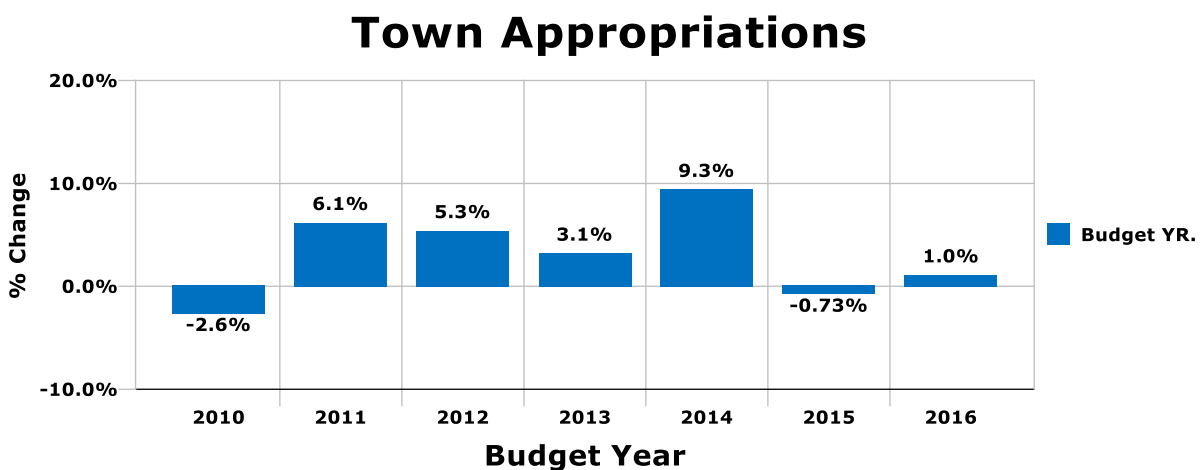
Spending Analysis and Estimated Tax Impacts

The proposed 2016 Budget recommended by the Board of Selectmen results in a 1% increase in spending from 2015. The tax rate for the Town for 2014 was \$11.66. The tax rate for 2015 is \$11.31.

The assessed valuation for 2015 is \$247,798,144 which is an increase of \$2,068,208 from 2014. This is a change in the direction of previous years assessed valuation which was on the decline in past years.

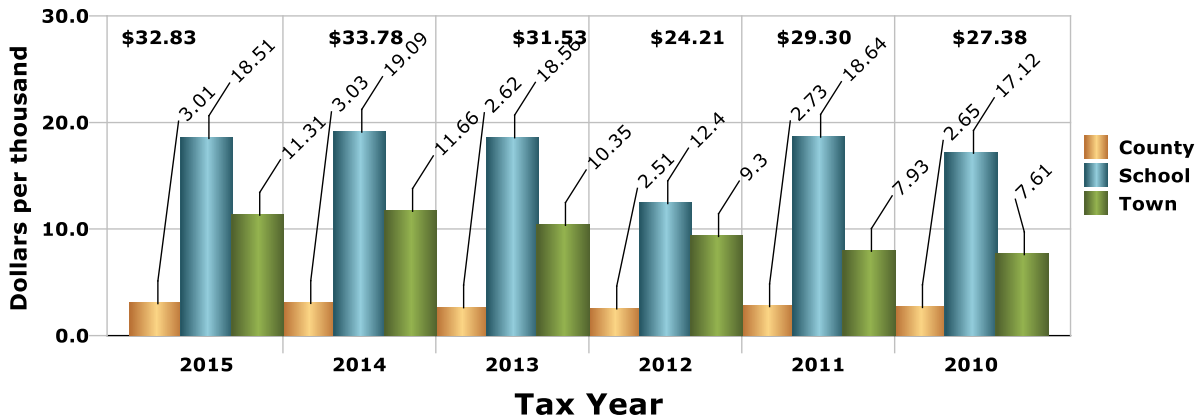
The revised projections for 2015 indicate a 10.6% increase in revenues. This revised projection is made in October each year which is far more accurate. This increase is expected as a result of our conservative revenue estimates. The actual amount of revenues will not be known until the year is out and the audit is completed (March/April 2016).

The next several pages include graphs that depict the various facets of the Town's budget, revenues and tax information.



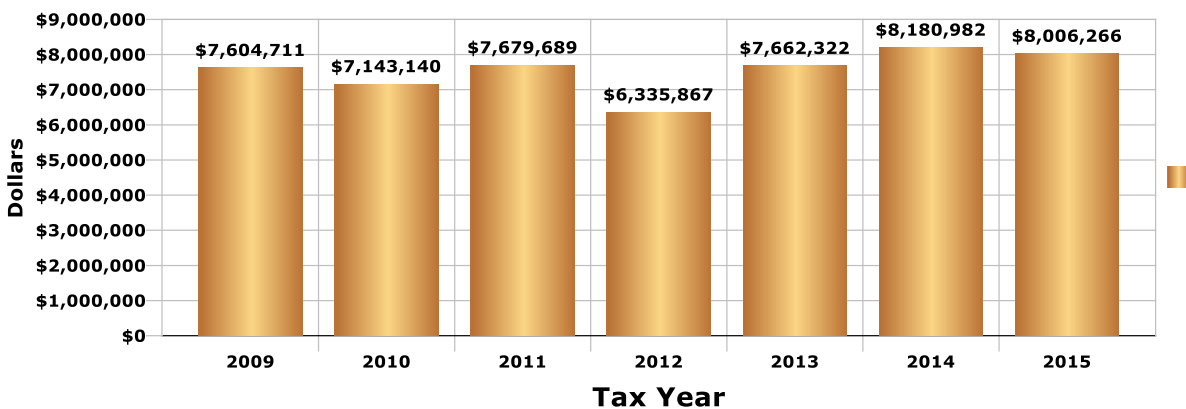
This chart shows the percent change in appropriations from year to year for the town budget excluding the appropriations for the sewer department. The percent change for 2016 is based on the budget approved by the Board of Selectmen.

Tax Rate History



This chart shows the tax rate history in dollars per thousand for each tax year. There are a number of factors that determine the rate.

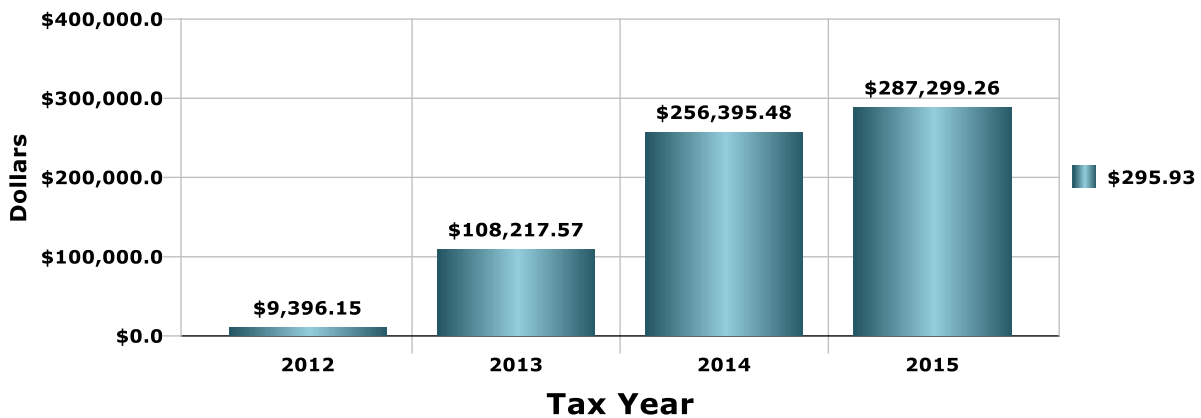
Taxes Committed



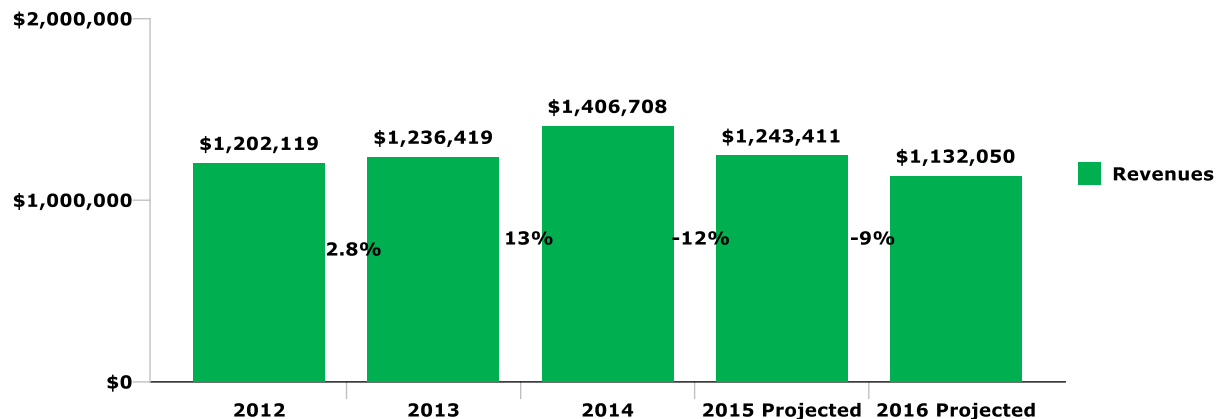
This chart depicts the actual property tax levy for each year. This amount represents the total amount of taxes levied for the local school, town and county tax needed to meet the appropriations set minus the other anticipated revenues.

This chart shows the amount of taxes for a given tax year and the total amount of taxes owed to the town. As you can see the amount of taxes owed in comparison to the total tax levy is comparatively low.

Taxes Outstanding



Revenues other than Property Taxes



This chart depicts the actual revenues for 2012, 2013 and 2014 other than property taxes. The numbers for 2015 are projected as the year will not close out until December 31st. The percent change between each year is depicted as well.

Revenues other than property taxes includes grants, fees, fines, sale of town property and interest on unpaid taxes.